

House File 723

H-1110

1 Amend House File 723 as follows:

2 1. By striking everything after the enacting clause and  
3 inserting:

4 <DIVISION I

5 UNIFORM PROTECTED SERIES ACT — ENACTMENT

6 ARTICLE 12

7 PART 1

8 UNIFORM PROTECTED SERIES ACT

9 SUBPART A

10 GENERAL PROVISIONS

11 Section 1. NEW SECTION. 489.12101 Short title.

12 This part may be cited as the "*Uniform Protected Series Act*".

13 Sec. 2. NEW SECTION. 489.12102 Definitions.

14 As used in this part, unless the context otherwise requires:

15 1. "*Asset*" means any of the following:

16 a. Property in which a series limited liability company or  
17 protected series has rights.

18 b. Property as to which the company or protected series has  
19 the power to transfer rights.

20 2. "*Associated asset*" means an asset that meets the  
21 requirements of section 489.12301.

22 3. "*Associated member*" means a member that meets the  
23 requirements of section 489.12302.

24 4. "*Foreign protected series*" means an arrangement,  
25 configuration, or other structure established by a foreign  
26 limited liability company which has attributes comparable to a  
27 protected series established under this part. The term applies  
28 whether or not the law under which the foreign company is  
29 organized refers to "protected series".

30 5. "*Foreign series limited liability company*" means a  
31 foreign limited liability company that has at least one foreign  
32 protected series.

33 6. "*Nonassociated asset*" means any of the following:

34 a. An asset of a series limited liability company which is  
35 not an associated asset of the company.

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1     *b.* An asset of a protected series of the company which is  
2 not an associated asset of the protected series.

3     7. "*Person*" means the same as defined in section 4.1 and  
4 includes a protected series.

5     8. "*Protected series*", except in the phrase "*foreign*  
6 *protected series*", means a protected series established under  
7 section 489.12201.

8     9. "*Protected-series manager*" means a person under whose  
9 authority the powers of a protected series are exercised  
10 and under whose direction the activities and affairs of the  
11 protected series are managed under the operating agreement,  
12 this part, and this chapter.

13    10. "*Protected-series transferable interest*" means a right to  
14 receive a distribution from a protected series.

15    11. "*Protected-series transferee*" means a person to which  
16 all or part of a protected-series transferable interest of a  
17 protected series of a series limited liability company has  
18 been transferred, other than the company. The term includes a  
19 person that owns a protected-series transferable interest as  
20 a result of ceasing to be an associated member of a protected  
21 series.

22    12. "*Series limited liability company*", except in the phrase  
23 "*foreign series limited liability company*", means a limited  
24 liability company that has at least one protected series.

25    Sec. 3. NEW SECTION. **489.12103 Nature of protected series.**  
26    A protected series of a series limited liability company is a  
27 person distinct from all of the following:

28    1. The company, subject to section 489.12104, subsection  
29 3, section 489.12501, subsection 1, and section 489.12502,  
30 subsection 4.

31    2. Another protected series of the company.

32    3. A member of the company, whether or not the member is an  
33 associated member of the protected series.

34    4. A protected-series transferee of a protected series of  
35 the company.

1       5. A transferee of a transferable interest of the company.

2       Sec. 4. NEW SECTION.   489.12104   Powers and duration of  
3   protected series.

4       1. A protected series of a series limited liability company  
5   has the capacity to sue and be sued in its own name.

6       2. Except as otherwise provided in subsections 3 and 4, a  
7   protected series of a series limited liability company has the  
8   same powers and purposes as the company.

9       3. A protected series of a series limited liability company  
10   ceases to exist not later than when the company completes its  
11   winding up.

12      4. A protected series of a series limited liability company  
13   shall not do any of the following:

14      a. Be a member of the company.

15      b. Establish a protected series.

16      c. Except as permitted by law of this state other than this  
17   part, have a purpose or power that the law of this state other  
18   than this part prohibits a limited liability company from doing  
19   or having.

20      Sec. 5. NEW SECTION.   489.12105   Governing law.

21      The law of this state governs all of the following:

22      1. The internal affairs of a protected series of a series  
23   limited liability company, including all of the following:

24      a. Relations among any associated members of the protected  
25   series.

26      b. Relations among the protected series and any of the  
27   following:

28          (1) Any associated member.

29          (2) The protected-series manager.

30          (3) Any protected-series transferee.

31      c. Relations between any associated member and any of the  
32   following:

33          (1) The protected-series manager.

34          (2) Any protected-series transferee.

35      d. The rights and duties of a protected-series manager.

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1     *e.* Governance decisions affecting the activities and affairs  
2 of the protected series and the conduct of those activities and  
3 affairs.

4     *f.* Procedures and conditions for becoming an associated  
5 member or protected-series transferee.

6     2. The relations between a protected series of a series  
7 limited liability company and each of the following:

8     *a.* The company.

9     *b.* Another protected series of the company.

10    *c.* A member of the company which is not an associated member  
11 of the protected series.

12    *d.* A protected-series manager that is not a protected-series  
13 manager of the protected series.

14    *e.* A protected-series transferee that is not a  
15 protected-series transferee of the protected series.

16    3. The liability of a person for a debt, obligation, or  
17 other liability of a protected series of a series limited  
18 liability company if the debt, obligation, or liability is  
19 asserted solely by reason of the person being or acting as any  
20 of the following:

21    *a.* An associated member, protected-series transferee, or  
22 protected-series manager of the protected series.

23    *b.* A member of the company which is not an associated member  
24 of the protected series.

25    *c.* A protected-series manager that is not a protected-series  
26 manager of the protected series.

27    *d.* A protected-series transferee that is not a  
28 protected-series transferee of the protected series.

29    *e.* A manager of the company.

30    *f.* A transferee of a transferable interest of the company.

31    4. The liability of a series limited liability company for  
32 a debt, obligation, or other liability of a protected series of  
33 the company if the debt, obligation, or liability is asserted  
34 solely by reason of the company doing any of the following:

35    *a.* Having delivered to the secretary of state for filing

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1 under section 489.12201, subsection 2, a protected series  
2 designation pertaining to the protected series or under section  
3 489.12201, subsection 4, or section 489.12202, subsection 3,  
4 a statement of designation change pertaining to the protected  
5 series.

6     *b.* Being or acting as a protected-series manager of the  
7 protected series.

8     *c.* Having the protected series be or act as a manager of the  
9 company.

10    *d.* Owning a protected-series transferable interest of the  
11 protected series.

12    5. The liability of a protected series of a series limited  
13 liability company for a debt, obligation, or other liability of  
14 the company or of another protected series of the company if  
15 the debt, obligation, or liability is asserted solely by reason  
16 of any of the following:

17     *a.* The protected series is any of the following:

18       (1) A protected series of the company or having as a  
19 protected-series manager the company or another protected  
20 series of the company.

21       (2) Acting as a protected-series manager of another  
22 protected series of the company or a manager of the company.

23     *b.* The company owning a protected-series transferable  
24 interest of the protected series.

25    Sec. 6. NEW SECTION. 489.12106 Relation of operating  
26 agreement, this part, and this chapter.

27    1. Except as otherwise provided in this section and subject  
28 to sections 489.12107 and 489.12108, the operating agreement  
29 of a series limited liability company governs all of the  
30 following:

31     *a.* The internal affairs of a protected series, including all  
32 of the following:

33       (1) Relations among any associated members of the protected  
34 series.

35       (2) Relations among the protected series and any of the

1 following:

2 (a) Any associated member.

3 (b) The protected-series manager.

4 (c) Any protected-series transferee.

5 (3) Relations between any associated member and any of the  
6 following:

7 (a) The protected-series manager.

8 (b) Any protected-series transferee.

9 (4) The rights and duties of a protected-series manager.

10 (5) Governance decisions affecting the activities and  
11 affairs of the protected series and the conduct of those  
12 activities and affairs.

13 (6) Procedures and conditions for becoming an associated  
14 member or protected-series transferee.

15 b. Relations among the protected series, the company, and  
16 any other protected series of the company.

17 c. Relations between all of the following:

18 (1) The protected series, its protected-series manager,  
19 any associated member of the protected series, or any  
20 protected-series transferee of the protected series.

21 (2) A person in the person's capacity as any of the  
22 following:

23 (a) A member of the company which is not an associated  
24 member of the protected series.

25 (b) A protected-series transferee or protected-series  
26 manager of another protected series.

27 (c) A transferee of the company.

28 2. If this chapter otherwise restricts the power of an  
29 operating agreement to affect a matter, the restriction  
30 applies to a matter under this part in accordance with section  
31 489.12108.

32 3. If law of this state other than this part imposes a  
33 prohibition, limitation, requirement, condition, obligation,  
34 liability, or other restriction on a limited liability  
35 company, a member, manager, or other agent of the company, or a

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1 transferee of the company, except as otherwise provided in law  
2 of this state other than this part, the restriction applies in  
3 accordance with section 489.12108.

4 4. Except as otherwise provided in section 489.12107, if  
5 the operating agreement of a series limited liability company  
6 does not provide for a matter described in subsection 1 in a  
7 manner permitted by this article, the matter is determined in  
8 accordance with the following rules:

9 a. To the extent this part addresses the matter, this part  
10 governs.

11 b. To the extent this part does not address the matter, the  
12 other articles of this chapter governs the matter in accordance  
13 with section 489.12108.

14 Sec. 7. NEW SECTION. 489.12107 Additional limitations on  
15 operating agreement.

16 1. An operating agreement shall not vary the effect of any  
17 of the following:

18 a. This section.

19 b. Section 489.12103.

20 c. Section 489.12104, subsection 1.

21 d. Section 489.12104, subsection 2, to provide a protected  
22 series a power beyond the powers this chapter provides a  
23 limited liability company.

24 e. Section 489.12104, subsection 3 or 4.

25 f. Section 489.12105.

26 g. Section 489.12106.

27 h. Section 489.12108.

28 i. Section 489.12201, except to vary the manner in which  
29 a limited liability company approves establishing a protected  
30 series.

31 j. Section 489.12202.

32 k. Section 489.12301.

33 l. Section 489.12302.

34 m. Section 489.12303, subsection 1 or 2.

35 n. Section 489.12304, subsection 3 or 6.

1     *o.* Section 489.12401, except to decrease or eliminate a  
2 limitation of liability stated in section 489.12401.  
3     *p.* Section 489.12402.  
4     *q.* Section 489.12403.  
5     *r.* Section 489.12404.  
6     *s.* Section 489.12501, subsections 1, 4, and 5.  
7     *t.* Section 489.12502, except to designate a different person  
8 to manage winding up.  
9     *u.* Section 489.12503.  
10    *v.* Article 6.  
11    *w.* Article 7.  
12    *x.* Article 8, except to vary any of the following:  
13       (1) The manner in which a series limited liability company  
14 may elect under section 489.12803, subsection 1, paragraph "b",  
15 to be subject to this part.  
16       (2) The person that has the right to sign and deliver to the  
17 secretary of state for filing a record under section 489.12803,  
18 subsection 2, paragraph "b".  
19    *y.* A provision of this part pertaining to any of the  
20 following:  
21       (1) Registered agents.  
22       (2) The secretary of state, including provisions pertaining  
23 to records authorized or required to be delivered to the  
24 secretary of state for filing under this part.  
25    2. An operating agreement shall not unreasonably restrict  
26 the duties and rights under section 489.12305 but may impose  
27 reasonable restrictions on the availability and use of  
28 information obtained under section 489.12305 and may provide  
29 appropriate remedies, including liquidated damages, for a  
30 breach of any reasonable restriction on use.  
31    Sec. 8. NEW SECTION. 489.12108 Rules for applying to  
32 specified provisions of this chapter to specified provisions of  
33 this part.  
34    1. Except as otherwise provided in subsection 2 and section  
35 489.12107, the following rules apply in applying section

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1 489.12106, section 489.12304, subsections 3 and 6, section  
2 489.12501, subsection 4, paragraph "a", section 489.12502,  
3 subsection 1, and section 489.12503, subsection 2:

4     *a.* A protected series of a series limited liability company  
5 is deemed to be a limited liability company that is formed  
6 separately from the series limited liability company and is  
7 distinct from the series limited liability company and any  
8 other protected series of the series limited liability company.

9     *b.* An associated member of the protected series is deemed to  
10 be a member of the company deemed to exist under paragraph "a".

11     *c.* A protected-series transferee of the protected series is  
12 deemed to be a transferee of the company deemed to exist under  
13 paragraph "a".

14     *d.* A protected-series transferable interest of the protected  
15 series is deemed to be a transferable interest of the company  
16 deemed to exist under paragraph "a".

17     *e.* A protected-series manager is deemed to be a manager of  
18 the company deemed to exist under paragraph "a".

19     *f.* An asset of the protected series is deemed to be an asset  
20 of the company deemed to exist under paragraph "a", whether or  
21 not the asset is an associated asset of the protected series.

22     *g.* Any creditor or other obligee of the protected series  
23 is deemed to be a creditor or obligee of the company deemed to  
24 exist under paragraph "a".

25     2. Subsection 1 does not apply if its application would do  
26 any of the following:

27     *a.* Contravene section 489.110.

28     *b.* Authorize or require the secretary of state to do any of  
29 the following:

30         (1) Accept for filing a type of record that neither this  
31 part nor any of the other articles of this chapter authorizes  
32 or requires a person to deliver to the secretary of state for  
33 filing.

34         (2) Make or deliver a record that neither this part nor  
35 the other articles of this chapter authorizes or requires the

1 secretary of state to make or deliver.

2 SUBPART B

3 ESTABLISHING PROTECTED SERIES

4 Sec. 9. NEW SECTION. 489.12201 Protected series designation  
5 — amendment.

6 1. With the affirmative vote or consent of all members  
7 of a limited liability company, the company may establish a  
8 protected series.

9 2. To establish a protected series, a limited liability  
10 company shall deliver to the secretary of state for filing a  
11 protected series designation, signed by the company, stating  
12 the name of the company and the name of the protected series to  
13 be established.

14 3. A protected series is established when the protected  
15 series designation takes effect under section 489.205.

16 4. To amend a protected series designation, a series limited  
17 liability company shall deliver to the secretary of state  
18 for filing a statement of designation change, signed by the  
19 company, that changes the name of the company, the name of the  
20 protected series to which the designation applies, or both.  
21 The change takes effect when the statement of designation  
22 change takes effect under section 489.205.

23 Sec. 10. NEW SECTION. 489.12202 Name.

24 1. Except as otherwise provided in subsection 2, the name of  
25 a protected series must comply with section 489.108.

26 2. The name of a protected series of a series limited  
27 liability company must do all of the following:

28 a. Begin with the name of the company, including any word or  
29 abbreviation required by section 489.108.

30 b. Contain the phrase "Protected Series" or "protected  
31 series" or the abbreviation "P.S." or "PS".

32 3. If a series limited liability company changes its name,  
33 the company shall deliver to the secretary of state for filing  
34 a statement of designation change for each of the company's  
35 protected series, changing the name of each protected series to

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1 comply with this section.

2     Sec. 11. NEW SECTION.   **489.12203 Registered agent.**

3     1. The registered agent in this state for a series limited  
4 liability company is the registered agent in this state for  
5 each protected series of the company.

6     2. Before delivering a protected series designation to the  
7 secretary of state for filing, a limited liability company  
8 shall agree with a registered agent that the agent will serve  
9 as the registered agent in this state for both the company and  
10 the protected series.

11    3. A person that signs a protected series designation  
12 delivered to the secretary of state for filing affirms as a  
13 fact that the limited liability company on whose behalf the  
14 designation is delivered has complied with subsection 2.

15    4. A person that ceases to be the registered agent for a  
16 series limited liability company ceases to be the registered  
17 agent for each protected series of the company.

18    5. A person that ceases to be the registered agent for a  
19 protected series of a series limited liability company, other  
20 than as a result of the termination of the protected series,  
21 ceases to be the registered agent of the company and any other  
22 protected series of the company.

23    6. Except as otherwise agreed by a series limited liability  
24 company and its registered agent, the agent is not obligated to  
25 distinguish between a process, notice, demand, or other record  
26 concerning the company and a process, notice, demand, or other  
27 record concerning a protected series of the company.

28     Sec. 12. NEW SECTION.   **489.12204 Service of process, notice,**  
29 **demand, or other record.**

30    1. A protected series of a series limited liability company  
31 may be served with a process, notice, demand, or other record  
32 required or permitted by law by any of the following:

33     a. Serving the company.

34     b. Serving the registered agent of the protected series.

35     c. Other means authorized by law of this state other than

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1 the other articles of this chapter.

2 2. Service of a summons and complaint on a series limited  
3 liability company is notice to each protected series of  
4 the company of service of the summons and complaint and the  
5 contents of the complaint.

6 3. Service of a summons and complaint on a protected series  
7 of a series limited liability company is notice to the company  
8 and any other protected series of the company of service of the  
9 summons and complaint and the contents of the complaint.

10 4. Service of a summons and complaint on a foreign series  
11 limited liability company is notice to each foreign protected  
12 series of the foreign company of service of the summons and  
13 complaint and the contents of the complaint.

14 5. Service of a summons and complaint on a foreign protected  
15 series of a foreign series limited liability company is notice  
16 to the foreign company and any other foreign protected series  
17 of the company of service of the summons and complaint and the  
18 contents of the complaint.

19 6. Notice to a person under subsection 2, 3, 4, or 5 is  
20 effective whether or not the summons and complaint identify  
21 the person if the summons and complaint name as a party and  
22 identify any of the following:

23 a. The series limited liability company or a protected  
24 series of the company.

25 b. The foreign series limited liability company or a foreign  
26 protected series of the foreign company.

27 Sec. 13. NEW SECTION. 489.12205 Certificate of existence  
28 for protected series.

29 1. On request of any person, the secretary of state shall  
30 issue a certificate of existence for a protected series of a  
31 series limited liability company or a certificate of authority  
32 for a foreign protected series in the following circumstances:

33 a. In the case of a protected series, if all of the  
34 following apply:

35 (1) No statement of dissolution, termination, or relocation

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1 pertaining to the protected series has been filed.

2 (2) The company has delivered to the secretary of state  
3 for filing the most recent biennial report required by section  
4 489.209 and the report includes the name of the protected  
5 series, unless any of the following applies:

6 (a) When the company delivered the report for filing, the  
7 protected series designation pertaining to the protected series  
8 had not yet taken effect.

9 (b) After the company delivered the report for filing,  
10 the company delivered to the secretary of state for filing  
11 a statement of designation change changing the name of the  
12 protected series.

13 b. In the case of a foreign protected series, it is  
14 authorized to do business in this state.

15 2. A certificate issued under subsection 1 must state all  
16 of the following:

17 a. In the case of a protected series, all of the following:

18 (1) The name of the protected series of the series limited  
19 liability company and the name of the company.

20 (2) That the requirements of subsection 1 are met.

21 (3) The date the protected series designation pertaining to  
22 the protected series took effect.

23 (4) If a statement of designation change pertaining to  
24 the protected series has been filed, the effective date and  
25 contents of the statement.

26 b. In the case of a foreign protected series, that it is  
27 authorized to do business in this state.

28 c. That all fees, taxes, interest, and penalties due under  
29 this chapter or other law to the secretary of state have been  
30 paid if all of the following apply:

31 (1) Payment is reflected in the records of the secretary of  
32 state.

33 (2) Nonpayment affects the existence or good standing of the  
34 protected series.

35 d. Other facts reflected in the records of the secretary of

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1 state pertaining to the protected series or foreign protected  
2 series which the person requesting the certificate reasonably  
3 requests.

4 3. Subject to any qualification stated by the secretary  
5 of state in a certificate issued under subsection 1, the  
6 certificate may be relied on as conclusive evidence of the  
7 facts stated in the certificate.

8 Sec. 14. NEW SECTION. 489.12206 Information required in  
9 biennial report — effect of failure to provide.

10 1. In the biennial report required by section 489.209, a  
11 series limited liability company shall include the name of each  
12 protected series of the company for which all of the following  
13 applies:

14 a. For which the company has previously delivered to the  
15 secretary of state for filing a protected series designation.

16 b. Which has not dissolved and completed winding up.

17 2. A failure by a series limited liability company to comply  
18 with subsection 1 with regard to a protected series prevents  
19 issuance of a certificate of good standing pertaining to the  
20 protected series but does not otherwise affect the protected  
21 series.

22 SUBPART C

23 ASSOCIATED ASSET, ASSOCIATED MEMBER, PROTECTED-SERIES  
24 TRANSFERABLE INTEREST, MANAGEMENT, AND RIGHT OF INFORMATION

25 Sec. 15. NEW SECTION. 489.12301 Associated asset.

26 1. Only an asset of a protected series may be an associated  
27 asset of the protected series. Only an asset of a series  
28 limited liability company may be an associated asset of the  
29 company.

30 2. An asset of a protected series of a series limited  
31 liability company is an associated asset of the protected  
32 series only if the protected series creates and maintains  
33 records that state the name of the protected series and  
34 describe the asset with sufficient specificity to permit  
35 a disinterested, reasonable individual to do all of the

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1 following:

2     *a.* Identify the asset and distinguish it from any other  
3 asset of the protected series, any asset of the company, and  
4 any asset of any other protected series of the company.

5     *b.* Determine when and from what person the protected series  
6 acquired the asset or how the asset otherwise became an asset  
7 of the protected series.

8     *c.* If the protected series acquired the asset from the  
9 company or another protected series of the company, determine  
10 any consideration paid, the payor, and the payee.

11     3. An asset of a series limited liability company is an  
12 associated asset of the company only if the company creates  
13 and maintains records that state the name of the company and  
14 describe the asset with sufficient specificity to permit  
15 a disinterested, reasonable individual to do all of the  
16 following:

17     *a.* Identify the asset and distinguish it from any other  
18 asset of the company and any asset of any protected series of  
19 the company.

20     *b.* Determine when and from what person the company acquired  
21 the asset or how the asset otherwise became an asset of the  
22 company.

23     *c.* If the company acquired the asset from a protected series  
24 of the company, determine any consideration paid, the payor,  
25 and the payee.

26     4. The records and recordkeeping required by subsections  
27 2 and 3 may be organized by specific listing, category,  
28 type, quantity, or computational or allocational formula or  
29 procedure, including a percentage or share of any asset, or in  
30 any other reasonable manner.

31     5. To the extent permitted by this section and law of this  
32 state other than this part, a series limited liability company  
33 or protected series of the company may hold an associated asset  
34 directly or indirectly, through a representative, nominee, or  
35 similar arrangement, except that all of the following applies:

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1     *a.* A protected series shall not hold an associated asset  
2 in the name of the company or another protected series of the  
3 company.

4     *b.* The company shall not hold an associated asset in the  
5 name of a protected series of the company.

6     Sec. 16. NEW SECTION.   **489.12302 Associated member.**

7     1. Only a member of a series limited liability company may  
8 be an associated member of a protected series of the company.

9     2. A member of a series limited liability company becomes an  
10 associated member of a protected series of the company if the  
11 operating agreement or a procedure established by the agreement  
12 states all of the following:

13     *a.* That the member is an associated member of the protected  
14 series.

15     *b.* The date on which the member became an associated member.

16     *c.* Any protected-series transferable interest the associated  
17 member has in connection with becoming or being an associated  
18 member.

19     3. If a person that is an associated member of a protected  
20 series of a series limited liability company is dissociated  
21 from the company, the person ceases to be an associated member  
22 of the protected series.

23     Sec. 17. NEW SECTION.   **489.12303 Protected-series**  
24 **transferable interest.**

25     1. A protected-series transferable interest of a protected  
26 series of a series limited liability company must be owned  
27 initially by an associated member of the protected series or  
28 the company.

29     2. If a protected series of a series limited liability  
30 company has no associated members when established, the  
31 company owns the protected-series transferable interests in the  
32 protected series.

33     3. In addition to acquiring a protected series transferable  
34 series interest under subsection 2, a series limited liability  
35 company may acquire a protected-series transferable interest



1 through a transfer from another person or as provided in the  
2 operating agreement.

3 4. Except for section 489.12108, subsection 1,  
4 paragraph "c", a provision of this part which applies to  
5 a protected-series transferee of a protected series of a  
6 series limited liability company applies to the company in  
7 its capacity as an owner of a protected-series transferable  
8 interest of the protected series. A provision of the operating  
9 agreement of a series limited liability company which applies  
10 to a protected-series transferee of a protected series of the  
11 company applies to the company in its capacity as an owner of a  
12 protected-series transferable interest of the protected series.

13 Sec. 18. NEW SECTION. 489.12304 Management.

14 1. A protected series may have more than one  
15 protected-series manager.

16 2. If a protected series has no associated members, the  
17 series limited liability company is the protected-series  
18 manager.

19 3. Section 489.12108 applies to determine any duties of  
20 a protected-series manager of a protected series of a series  
21 limited liability company to all of the following:

22 a. The protected series.

23 b. Any associated member of the protected series.

24 c. Any protected-series transferee of the protected series.

25 4. Solely by reason of being or acting as a protected-series  
26 manager of a protected series of a series limited liability  
27 company, a person owes no duty to any of the following:

28 a. The company.

29 b. Another protected series of the company.

30 c. Another person in that person's capacity as any of the  
31 following:

32 (1) A member of the company which is not an associated  
33 member of the protected series.

34 (2) A protected-series transferee or protected-series  
35 manager of another protected series.

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1       (3) A transferee of the company.

2       5. An associated member of a protected series of a series  
3 limited liability company has the same rights as any other  
4 member of the company to vote on or consent to an amendment to  
5 the company's operating agreement or any other matter being  
6 decided by the members, whether or not the amendment or matter  
7 affects the interests of the protected series or the associated  
8 member.

9       6. Article 9 applies to a protected series in accordance  
10 with section 489.12108.

11       Sec. 19. NEW SECTION. **489.12305 Right of person not**  
12 **associated member of protected series to information concerning**  
13 **protected series.**

14       1. A member of a series limited liability company which  
15 is not an associated member of a protected series of the  
16 company has a right to information concerning the protected  
17 series to the same extent, in the same manner, and under  
18 the same conditions that a member that is not a manager of  
19 a manager-managed limited liability company has a right to  
20 information concerning the company under section 489.410,  
21 subsection 2.

22       2. A person formerly an associated member of a protected  
23 series has a right to information concerning the protected  
24 series to the same extent, in the same manner, and under  
25 the same conditions that a person dissociated as a member of  
26 a manager-managed limited liability company has a right to  
27 information concerning the company under section 489.410,  
28 subsection 3.

29       3. If an associated member of a protected series dies, the  
30 legal representative of the deceased associated member has a  
31 right to information concerning the protected series to the  
32 same extent, in the same manner, and under the same conditions  
33 that the legal representative of a deceased member of a limited  
34 liability company has a right to information concerning the  
35 company under section 489.504.

1     4. A protected-series manager of a protected series has a  
2 right to information concerning the protected series to the  
3 same extent, in the same manner, and under the same conditions  
4 that a manager of a manager-managed limited liability company  
5 has a right to information concerning the company under section  
6 489.410, subsection 2.

7

#### SUBPART D

8

#### LIMITATION ON LIABILITY AND ENFORCEMENT OF CLAIMS

9

Sec. 20. NEW SECTION. **489.12401 Limitations on liability.**

10     1. A person is not liable, directly or indirectly, by way  
11 of contribution or otherwise, for a debt, obligation, or other  
12 liability of any of the following:

13     a. A protected series of a series limited liability company  
14 solely by reason of being or acting as any of the following:

15         (1) An associated member, protected-series manager, or  
16 protected-series transferee of the protected series.

17         (2) A member, manager, or a transferee of the company.

18     b. A series limited liability company solely by reason  
19 of being or acting as an associated member, protected-series  
20 manager, or protected-series transferee of a protected series  
21 of the company.

22     2. Subject to section 489.12404, all of the following rules  
23 apply:

24     a. A debt, obligation, or other liability of a series  
25 limited liability company is solely the debt, obligation, or  
26 liability of the company.

27     b. A debt, obligation, or other liability of a protected  
28 series is solely the debt, obligation, or liability of the  
29 protected series.

30     c. A series limited liability company is not liable,  
31 directly or indirectly, by way of contribution or otherwise,  
32 for a debt, obligation, or other liability of a protected  
33 series of the company solely by reason of the protected series  
34 being a protected series of the company or the company for any  
35 of the following:

1       (1) Being or acting as a protected-series manager of the  
2 protected series.

3       (2) Having the protected series manage the company.

4       (3) Owning a protected-series transferable interest of the  
5 protected series.

6       *d.* A protected series of a series limited liability company  
7 is not liable, directly or indirectly, by way of contribution  
8 or otherwise, for a debt, obligation, or other liability of the  
9 company or another protected series of the company solely by  
10 reason of any of the following:

11       (1) Being a protected series of the company.

12       (2) Being or acting as a manager of the company or a  
13 protected-series manager of another protected series of the  
14 company.

15       (3) Having the company or another protected series of  
16 the company be or act as a protected-series manager of the  
17 protected series.

18       Sec. 21. NEW SECTION. **489.12402 Claim seeking to disregard**  
19 **limitation of liability.**

20       1. Except as otherwise provided in subsection 2, a claim  
21 seeking to disregard a limitation in section 489.12401 is  
22 governed by the principles of law and equity, including a  
23 principle providing a right to a creditor or holding a person  
24 liable for a debt, obligation, or other liability of another  
25 person, which would apply if each protected series of a series  
26 limited liability company were a limited liability company  
27 formed separately from the series limited liability company  
28 and distinct from the series limited liability company and any  
29 other protected series of the series limited liability company.

30       2. The failure of a limited liability company or a protected  
31 series to observe formalities relating to the exercise of  
32 its powers or management of its activities and affairs is  
33 not a ground to disregard a limitation in section 489.12401,  
34 subsection 1, but may be a ground to disregard a limitation in  
35 section 489.12401, subsection 2.

1     3. This section applies to a claim seeking to disregard a  
2 limitation of liability applicable to a foreign series limited  
3 liability company or foreign protected series and comparable  
4 to a limitation stated in section 489.12401, if any of the  
5 following apply:

6     a. The claimant is a resident of this state or doing  
7 business or authorized to do business in this state.

8     b. The claim is to establish or enforce a liability arising  
9 under law of this state other than this part or from an act or  
10 omission in this state.

11     Sec. 22. NEW SECTION.   **489.12403 Remedies of judgment**  
12 **creditor of associated member or protected-series transferee.**

13     Section 489.503 applies to a judgment creditor of any of the  
14 following:

15     1. An associated member or protected-series transferee of a  
16 protected series.

17     2. A series limited liability company, to the extent the  
18 company owns a protected-series transferable interest of a  
19 protected series.

20     Sec. 23. NEW SECTION.   **489.12404 Enforcement against**  
21 **nonassociated asset.**

22     1. As used in this section:

23     a. "*Enforcement date*" means 12:01 a.m. on the date on which  
24 a claimant first serves process on a series limited liability  
25 company or protected series in an action seeking to enforce  
26 under this section a claim against an asset of the company or  
27 protected series by attachment, levy, or the like.

28     b. Subject to section 489.12608, subsection 2, "*incurrence*  
29 *date*" means the date on which a series limited liability company  
30 or protected series incurred the liability giving rise to a  
31 claim that a claimant seeks to enforce under this section.

32     2. If a claim against a series limited liability company or  
33 a protected series of the company has been reduced to judgment,  
34 in addition to any other remedy provided by law or equity,  
35 the judgment may be enforced in accordance with the following

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1 rules:

2     *a.* A judgment against the company may be enforced against  
3 an asset of a protected series of the company if any of the  
4 following applies:

5       (1) The asset was a nonassociated asset of the protected  
6 series on the incurrence date.

7       (2) The asset is a nonassociated asset of the protected  
8 series on the enforcement date.

9     *b.* A judgment against a protected series may be enforced  
10 against an asset of the company if any of the following apply:

11       (1) The asset was a nonassociated asset of the company on  
12 the incurrence date.

13       (2) The asset is a nonassociated asset of the company on the  
14 enforcement date.

15     *c.* A judgment against a protected series may be enforced  
16 against an asset of another protected series of the company if  
17 any of the following applies:

18       (1) The asset was a nonassociated asset of the other  
19 protected series on the incurrence date.

20       (2) The asset is a nonassociated asset of the other  
21 protected series on the enforcement date.

22     3. In addition to any other remedy provided by law or  
23 equity, if a claim against a series limited liability company  
24 or a protected series has not been reduced to a judgment  
25 and law other than this part permits a prejudgment remedy by  
26 attachment, levy, or the like, the court may apply subsection 2  
27 as a prejudgment remedy.

28     4. In a proceeding under this section, the party asserting  
29 that an asset is or was an associated asset of a series limited  
30 liability company or a protected series of the company has the  
31 burden of proof on the issue.

32     5. This section applies to an asset of a foreign series  
33 limited liability company or foreign protected series if all of  
34 the following applies:

35     *a.* The asset is real or tangible property located in this

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1     Sec. 25. NEW SECTION.   489.12502   Winding up dissolved  
2   protected series.

3     1. Subject to subsections 2 and 3 and in accordance with  
4   section 489.12108 all of the following apply:

5     a. A dissolved protected series shall wind up its activities  
6   and affairs in the same manner that a limited liability company  
7   winds up its activities and affairs under sections 489.702  
8   through 489.704 subject to the same requirements and conditions  
9   and with the same effects.

10    b. Judicial supervision or another judicial remedy is  
11   available in the winding up of the protected series to the same  
12   extent, in the same manner, under the same conditions, and with  
13   the same effects that apply under section 489.702, subsection  
14   5.

15    2. When a protected series of a series limited liability  
16   company dissolves, the company may deliver to the secretary of  
17   state for filing a statement of protected series dissolution  
18   stating the name of the company and the protected series  
19   and that the protected series is dissolved. The filing of  
20   the statement by the secretary of state has the same effect  
21   as the filing by the secretary of state of a statement of  
22   dissolution under section 489.103, subsection 4, paragraph "b",  
23   subparagraph (1).

24    3. When a protected series of a series limited liability  
25   company has completed winding up, the company may deliver to  
26   the secretary of state for filing a statement of designation  
27   cancellation stating the name of the company and the protected  
28   series and that the protected series is terminated. The filing  
29   of the statement by the secretary of state has the same effect  
30   as the filing by the secretary of state of a statement of  
31   termination under section 489.103, subsection 4, paragraph "b",  
32   subparagraph (2).

33    4. A series limited liability company has not completed its  
34   winding up until each of the protected series of the company  
35   has completed its winding up.



1     Sec. 26. NEW SECTION.   489.12503   Effect of reinstatement  
2 of series limited liability company or revocation of voluntary  
3 dissolution.

4     If a series limited liability company that has been  
5 administratively dissolved is reinstated, or a series limited  
6 liability company that voluntarily dissolved rescinds its  
7 dissolution both of the following apply:

8     1. Each protected series of the company ceases winding up.

9     2. The provisions of section 489.706 apply to each protected  
10 series of the company in accordance with section 489.12108.

11                                   SUBPART F

12                                   ENTITY TRANSACTIONS RESTRICTED

13     Sec. 27. NEW SECTION.   489.12601   Definitions.

14     As used in this subpart:

15     1. "*After a merger*" or "*after the merger*" means when a merger  
16 under section 489.12604 becomes effective and afterwards.

17     2. "*Before a merger*" or "*before the merger*" means before a  
18 merger under section 489.12604 becomes effective.

19     3. "*Continuing protected series*" means a protected series of  
20 a surviving company which continues in uninterrupted existence  
21 after a merger under section 489.12604.

22     4. "*Merging company*" means a limited liability company that  
23 is party to a merger under section 489.12604.

24     5. "*Nonsurviving company*" means a merging company that  
25 does not continue in existence after a merger under section  
26 489.12604.

27     6. "*Relocated protected series*" means a protected series  
28 of a nonsurviving company which, after a merger under section  
29 489.12604, continues in uninterrupted existence as a protected  
30 series of the surviving company.

31     7. "*Surviving company*" means a merging company that  
32 continues in existence after a merger under section 489.12604.

33     Sec. 28. NEW SECTION.   489.12602   Protected series shall not  
34 be party to entity transaction.

35     A protected series shall not do any of the following:

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1 1. Be an acquiring, acquired, converting, converted,  
2 merging, or surviving entity.

3 2. Participate in a domestication.

4 3. Be a party to or be formed, organized, established, or  
5 created in a transaction substantially like a merger, interest  
6 exchange, conversion, or domestication.

7 Sec. 29. NEW SECTION. 489.12603 Restriction on entity  
8 transaction involving protected series.

9 A series limited liability company shall not be any of the  
10 following:

11 1. An acquiring, acquired, converting, converted,  
12 domesticating, or domesticated entity.

13 2. Except as otherwise provided in section 489.12604, a  
14 party to or the surviving company of a merger.

15 Sec. 30. NEW SECTION. 489.12604 Merger authorized —  
16 parties restricted.

17 A series limited liability company may be party to a merger  
18 in accordance with sections 489.1001 through 489.1005, this  
19 section, and sections 489.12605 through 489.12608 only if all  
20 of the following apply:

21 1. Each other party to the merger is a limited liability  
22 company.

23 2. The surviving company is not created in the merger.

24 Sec. 31. NEW SECTION. 489.12605 Plan of merger.

25 In a merger under section 489.12604, the plan of merger must  
26 do all of the following:

27 1. Comply with section 489.1002.

28 2. State in a record all of the following:

29 a. For any protected series of a nonsurviving company,  
30 whether after the merger the protected series will be a  
31 relocated protected series or be dissolved, wound up, and  
32 terminated.

33 b. For any protected series of the surviving company  
34 which exists before the merger, whether after the merger the  
35 protected series will be a continuing protected series or be

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1 dissolved, wound up, and terminated.

2     *c.* For each relocated protected series or continuing  
3 protected series all of the following:

4       (1) The name of any person that becomes an associated member  
5 or protected-series transferee of the protected series after  
6 the merger, any consideration to be paid by, on behalf of, or  
7 in respect of the person, the name of the payor, and the name  
8 of the payee.

9       (2) The name of any person whose rights or obligations  
10 in the person's capacity as an associated member or  
11 protected-series transferee will change after the merger.

12       (3) Any consideration to be paid to a person who before the  
13 merger was an associated member or protected-series transferee  
14 of the protected series and the name of the payor.

15       (4) If after the merger the protected series will be a  
16 relocated protected series, its new name.

17     *d.* For any protected series to be established by the  
18 surviving company as a result of the merger all of the  
19 following:

20       (1) The name of the protected series.

21       (2) Any protected-series transferable interest to be  
22 owned by the surviving company when the protected series is  
23 established.

24       (3) The name of and any protected-series transferable  
25 interest owned by any person that will be an associated  
26 member of the protected series when the protected series is  
27 established.

28     *e.* For any person that is an associated member of a  
29 relocated protected series and will remain a member after  
30 the merger, any amendment to the operating agreement of the  
31 surviving company which is all of the following:

32       (1) Is or is proposed to be in a record.

33       (2) Is necessary or appropriate to state the rights and  
34 obligations of the person as a member of the surviving company.

35     Sec. 32. NEW SECTION.   **489.12606 Articles of merger.**

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1 In a merger under section 489.12604, the articles of merger  
2 must do all of the following:

3 1. Comply with section 489.1004.

4 2. Include as an attachment the following records, each to  
5 become effective when the merger becomes effective upon any of  
6 the following:

7 a. For a protected series of a merging company being  
8 terminated as a result of the merger, a statement of  
9 termination signed by the company.

10 b. For a protected series of a nonsurviving company which  
11 after the merger will be a relocated protected series all of  
12 the following:

13 (1) A statement of relocation signed by the nonsurviving  
14 company which contains the name of the company and the name of  
15 the protected series before and after the merger.

16 (2) A statement of protected series designation signed by  
17 the surviving company.

18 c. For a protected series being established by the  
19 surviving company as a result of the merger, a protected series  
20 designation signed by the company.

21 Sec. 33. NEW SECTION. **489.12607 Effect of merger.**

22 When a merger under section 489.12604 becomes effective, in  
23 addition to the effects stated in section 489.1005, all of the  
24 following apply:

25 1. As provided in the plan of merger, each protected series  
26 of each merging company which was established before the merger  
27 is any of the following:

28 a. Is a relocated protected series or continuing protected  
29 series.

30 b. Is dissolved, wound up, and terminated.

31 2. Any protected series to be established as a result of the  
32 merger is established.

33 3. Any relocated protected series or continuing protected  
34 series is the same person without interruption as it was before  
35 the merger.



1     1. A creditor's right that existed under section 489.12404  
2 immediately before a merger under section 489.12604 may  
3 be enforced after the merger in accordance with all of the  
4 following:

5     *a.* A creditor's right that existed immediately before the  
6 merger against the surviving company, a continuing protected  
7 series, or a relocated protected series continues without  
8 change after the merger.

9     *b.* A creditor's right that existed immediately before the  
10 merger against a nonsurviving company all of the following  
11 apply:

12     (1) May be asserted against an asset of the nonsurviving  
13 company which vested in the surviving company as a result of  
14 the merger.

15     (2) Does not otherwise change.

16     *c.* Subject to subsection 2, all of the following apply:

17     (1) In addition to the remedy stated in paragraph "a", a  
18 creditor with a right under section 489.12404 which existed  
19 immediately before the merger against a nonsurviving company or  
20 a relocated protected series may assert the right against any  
21 of the following:

22     (a) An asset of the surviving company, other than an asset  
23 of the nonsurviving company which vested in the surviving  
24 company as a result of the merger.

25     (b) An asset of a continuing protected series.

26     (c) An asset of a protected series established by the  
27 surviving company as a result of the merger.

28     (d) If the creditor's right was against an asset of the  
29 nonsurviving company, an asset of a relocated series.

30     (e) If the creditor's right was against an asset of a  
31 relocated protected series, an asset of another relocated  
32 protected series.

33     (2) In addition to the remedy stated in paragraph "b",  
34 a creditor with a right that existed immediately before the  
35 merger against the surviving company or a continuing protected

1 series may assert the right against any of the following:

2 (a) An asset of a relocated protected series.

3 (b) An asset of a nonsurviving company which vested in the  
4 surviving company as a result of the merger.

5 2. For the purposes of subsection 1, paragraph "c", and  
6 section 489.12404, subsection 2, paragraph "a", subparagraph  
7 (1); section 489.12404, subsection 2, paragraph "b",  
8 subparagraph (1); and section 489.12404, subsection 2,  
9 paragraph "c", subparagraph (1), the incurrence date is deemed  
10 to be the date on which the merger becomes effective.

11 3. A merger under section 489.12604 does not affect the  
12 manner in which section 489.12404 applies to a liability  
13 incurred after the merger.

14 SUBPART G

15 FOREIGN PROTECTED SERIES

16 Sec. 35. NEW SECTION. 489.12701 Governing law.

17 The law of the jurisdiction of formation of a foreign series  
18 limited liability company governs all of the following:

19 1. The internal affairs of a foreign protected series of the  
20 company, including all of the following:

21 a. Relations among any associated members of the foreign  
22 protected series.

23 b. Relations between the foreign protected series and any  
24 of the following:

25 (1) Any associated member.

26 (2) The protected-series manager.

27 (3) Any protected-series transferee.

28 c. Relations between any associated member and any of the  
29 following:

30 (1) The protected-series manager.

31 (2) Any protected-series transferee.

32 d. The rights and duties of a protected-series manager.

33 e. Governance decisions affecting the activities and affairs  
34 of the foreign protected series and the conduct of those  
35 activities and affairs.

1     *f.* Procedures and conditions for becoming an associated  
2 member or protected-series transferee.

3     2. Relations between the foreign protected series and all  
4 of the following:

5     *a.* The company.

6     *b.* Another foreign protected series of the company.

7     *c.* A member of the company which is not an associated member  
8 of the foreign protected series.

9     *d.* A foreign protected-series manager that is not a  
10 protected-series manager of the protected series.

11    *e.* A foreign protected-series transferee that is not a  
12 foreign protected-series transferee of the protected series.

13    *f.* A transferee of a transferable interest of the company.

14     3. Except as otherwise provided in sections 489.12402 and  
15 489.12404, the liability of a person for a debt, obligation,  
16 or other liability of a foreign protected series of a foreign  
17 series limited liability company if the debt, obligation, or  
18 liability is asserted solely by reason of the person being or  
19 acting as any of the following:

20    *a.* An associated member, protected-series transferee, or  
21 protected-series manager of the foreign protected series.

22    *b.* A member of the company which is not an associated member  
23 of the foreign protected series.

24    *c.* A protected-series manager of another foreign protected  
25 series of the company.

26    *d.* A protected-series transferee of another foreign  
27 protected series of the company.

28    *e.* A manager of the company.

29    *f.* A transferee of a transferable interest of the company.

30     4. Except as otherwise provided in sections 489.12402 and  
31 489.12404 all of the following apply:

32    *a.* The liability of the foreign series limited liability  
33 company for a debt, obligation, or other liability of a foreign  
34 protected series of the company if the debt, obligation, or  
35 liability is asserted solely by reason of the foreign protected



1 series being a foreign protected series of the company or the  
2 company as a consequence of any of the following:

3 (1) Being or acting as a foreign protected-series manager of  
4 the foreign protected series.

5 (2) Having the foreign protected series manage the company.

6 (3) Owning a protected-series transferable interest of the  
7 foreign protected series.

8 *b.* The liability of a foreign protected series for a  
9 debt, obligation, or other liability of the company or  
10 another foreign protected series of the company if the debt,  
11 obligation, or liability is asserted solely by reason of  
12 the foreign protected series as a consequence of any of the  
13 following:

14 (1) Being a foreign protected series of the company or  
15 having the company or another foreign protected series of the  
16 company be or act as foreign protected-series manager of the  
17 foreign protected series.

18 (2) Managing the company or being or acting as a foreign  
19 protected-series manager of another foreign protected series  
20 of the company.

21 **Sec. 36. NEW SECTION. 489.12702 No attribution of**  
22 **activities constituting doing business or for establishing**  
23 **jurisdiction.**

24 In determining whether a foreign series limited liability  
25 company or foreign protected series of the company does  
26 business in this state or is subject to the personal  
27 jurisdiction of the courts of this state all of the following  
28 apply:

29 1. The activities and affairs of the company are not  
30 attributable to a foreign protected series of the company  
31 solely by reason of the foreign protected series being a  
32 foreign protected series of the company.

33 2. The activities and affairs of a foreign protected  
34 series are not attributable to the company or another foreign  
35 protected series of the company solely by reason of the foreign

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1 protected series being a foreign protected series of the  
2 company.

3     Sec. 37. NEW SECTION.   **489.12703   Authorization of foreign**  
4 **protected series.**

5     1. Except as otherwise provided in this section and  
6 subject to sections 489.12402 and 489.12404, the law of this  
7 state governing the filing of a certificate of authority of  
8 a foreign limited liability company to do business in this  
9 state, including the consequences of not complying with that  
10 law, applies to a foreign protected series of a foreign series  
11 limited liability company as if the foreign protected series  
12 were a foreign limited liability company formed separately  
13 from the foreign series limited liability company and distinct  
14 from the foreign series limited liability company and any  
15 other foreign protected series of the foreign series limited  
16 liability company.

17     2. An application by a foreign protected series of a foreign  
18 series limited liability company for a certificate of authority  
19 to do business in this state must include all of the following:

20     a. The name and jurisdiction of formation of the foreign  
21 series limited liability company.

22     b. If the company has other foreign protected series,  
23 the name and street and mailing address of an individual who  
24 knows the name and street and mailing address of all of the  
25 following:

26       (1) Each other foreign protected series of the foreign  
27 series limited liability company.

28       (2) The foreign protected-series manager of and agent for  
29 service of process for each other foreign protected series of  
30 the foreign series limited liability company.

31     2A. If the jurisdiction under whose law the foreign  
32 protected series was organized does not provide for the  
33 protected series to obtain a certificate of existence,  
34 the foreign protected series shall attach a certificate of  
35 existence for the series limited liability company of which

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1 it is a protected series. In that case, a foreign protected  
2 series of the foreign series limited liability company will  
3 be deemed to be in existence and good standing as long as the  
4 series limited liability company is in existence and good  
5 standing.

6 3. The name of a foreign protected series applying for a  
7 certificate of authority or authorized to do business in this  
8 state must comply with section 489.12202 and may do so using a  
9 fictitious name pursuant to section 489.108, if the fictitious  
10 name complies with section 489.12202.

11 4. A foreign protected series that has in effect a  
12 certificate of authority pursuant to this section shall file  
13 with the secretary of state an amendment to its application if  
14 there is any change in the information required by subsection  
15 2.

16 Sec. 38. NEW SECTION. 489.12704 Disclosure required when  
17 foreign series limited liability company or foreign protected  
18 series party to proceeding.

19 1. Not later than thirty days after becoming a party  
20 to a proceeding before a civil, administrative, or other  
21 adjudicative tribunal of or located in this state or a tribunal  
22 of the United States located in this state all of the following  
23 apply:

24 a. A foreign series limited liability company shall disclose  
25 to each other party the name and street and mailing address of  
26 all of the following:

27 (1) Each foreign protected series of the company.

28 (2) Each foreign protected-series manager of and a  
29 registered agent for service of process for each foreign  
30 protected series of the company.

31 b. A foreign protected series of a foreign series limited  
32 liability company shall disclose to each other party the name  
33 and street and mailing address of all of the following:

34 (1) The company and each manager of the company and an agent  
35 for service of process for the company.

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1 (2) Any other foreign protected series of the company and  
2 each foreign protected-series manager of and an agent for  
3 service of process for the other foreign protected series.

4 2. If a foreign series limited liability company or foreign  
5 protected series challenges the personal jurisdiction of  
6 the tribunal, the requirement that the foreign company or  
7 foreign protected series make disclosure under subsection 1 is  
8 tolled until the tribunal determines whether it has personal  
9 jurisdiction.

10 3. If a foreign series limited liability company or foreign  
11 protected series does not comply with subsection 1, a party to  
12 the proceeding may do any of the following:

13 a. Request the tribunal to treat the noncompliance as a  
14 failure to comply with the tribunal's discovery rules.

15 b. Bring a separate proceeding in the court to enforce  
16 subsection 1.

#### 17 SUBPART H

#### 18 TRANSITIONAL PROVISIONS

19 Sec. 39. NEW SECTION. 489.12803 Transitional provisions.

20 1. Before July 1, 2021, this part governs only the  
21 following:

22 a. A series limited liability company formed, or a protected  
23 series established, on or after July 1, 2020.

24 b. A limited liability company that is a series limited  
25 liability company before July 1, 2020, and elects, in the  
26 manner provided in its operating agreement or by law for  
27 amending the operating agreement, to be subject to this part.

28 2. If a series limited liability company elects under  
29 subsection 1, paragraph "b", to be subject to this part:

30 a. The election applies to each protected series of the  
31 company, whenever established.

32 b. A manager of the company has the right to sign and  
33 deliver to the secretary of state for filing any record  
34 necessary to comply with this part, whether the record pertains  
35 to the company, a protected series of the company, or both.

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1 limited liability company, other than a family farm limited  
2 liability company as defined in [section 9H.1](#), organized under  
3 chapter 489 if all of the following conditions are satisfied:

4     a. (1) Qualified farmers must hold at least fifty-one  
5 percent of all membership interests in the limited liability  
6 company. If more than one type of membership interest is  
7 established, ~~including any series as provided in section~~  
8 ~~489.1201 or any class or group as provided in [section 489.1201](#),~~  
9 qualified farmers must hold at least fifty-one percent of all  
10 membership interests of each type.

11     ~~b. (2)~~ Qualified persons must hold at least seventy percent  
12 of all membership interests in the limited liability company.  
13 If more than one type of membership interest is established,  
14 ~~including any series as provided in [section 489.1201](#) or any~~  
15 ~~class or group as provided in [section 489.1201](#),~~ qualified  
16 persons must hold at least seventy percent of all membership  
17 interests of each type.

18     b. As used in paragraph "a", a type of membership interest  
19 in a limited liability company includes any of the following:

20         (1) (a) A series as provided in chapter 489, article 12.

21         (b) This subparagraph is repealed on July 1, 2021.

22         (2) A protected series of a series limited liability company  
23 as provided in chapter 489, article 12.

24     Sec. 43. Section 10.10, subsection 1, paragraph c, Code  
25 2019, is amended to read as follows:

26     c. (1) Less than fifty percent of the interest in the  
27 farmers cooperative limited liability company is held by  
28 members which are parties to intra-company loan agreements.  
29 If more than one type of membership interest is established,  
30 ~~including any series as provided in [section 489.1201](#) or any~~  
31 ~~class or group as provided in [section 489.1201](#),~~ less than  
32 fifty percent of the interest in each type of membership shall  
33 be held by members which are parties to intra-company loan  
34 agreements.

35     (2) As used in subparagraph (1), a type of membership

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1 interest in a limited liability company includes any of the  
2 following:

3 (a) (i) A series as provided in chapter 489, article 12.

4 (ii) This subparagraph division is repealed on July 1, 2021.

5 (b) A protected series of a series limited liability company  
6 as provided in chapter 489, article 12.

7 Sec. 44. Section 489.101, Code 2019, is amended to read as  
8 follows:

9 **489.101 Short title.**

10 1. This chapter may be cited as the "*Revised Uniform Limited*  
11 *Liability Company Act*".

12 2. In addition, article 12, part 1, of this chapter may be  
13 cited as provided in section 489.1201.

14 Sec. 45. Section 489.801, subsection 1, Code 2019, is  
15 amended to read as follows:

16 1. The Subject to sections 489.12402 and 489.12404, the  
17 law of the state or other jurisdiction under which a foreign  
18 limited liability company is formed governs all of the  
19 following:

20 a. The internal affairs of the company.

21 b. The liability of a member as member and a manager as  
22 manager for the debts, obligations, or other liabilities of the  
23 company.

24 Sec. 46. Section 489.1201, Code 2019, is amended by adding  
25 the following new subsection:

26 NEW SUBSECTION. 8. This section is repealed on July 1,  
27 2021.

28 Sec. 47. Section 489.1202, Code 2019, is amended by adding  
29 the following new subsection:

30 NEW SUBSECTION. 7. This section is repealed on July 1,  
31 2021.

32 Sec. 48. Section 489.1203, Code 2019, is amended by adding  
33 the following new subsection:

34 NEW SUBSECTION. 14. This section is repealed on July 1,  
35 2021.

1     Sec. 49. Section 489.1204, Code 2019, is amended to read as  
2 follows:

3     **489.1204 Dissociation from a series.**

4     1. Unless otherwise provided in the operating agreement,  
5 a member shall cease to be associated with a series and to  
6 have the power to exercise any rights or powers of a member  
7 with respect to such series upon the assignment of all of the  
8 member's transferable interest with respect to such series.  
9 Except as otherwise provided in an operating agreement,  
10 an event under [this chapter](#) or identified in an operating  
11 agreement that causes a member to cease to be associated with  
12 a series, by itself, shall not cause such member to cease to  
13 be associated with any other series or terminate the continued  
14 membership of a member in the limited liability company.

15     2. This section is repealed on July 1, 2021.

16     Sec. 50. Section 489.1205, Code 2019, is amended by adding  
17 the following new subsection:

18     NEW SUBSECTION. 4. This section is repealed on July 1,  
19 2021.

20     Sec. 51. Section 489.1206, Code 2019, is amended to read as  
21 follows:

22     **489.1206 Foreign series.**

23     1. A foreign limited liability company that is authorized  
24 to do business in this state under [article 8](#) which is governed  
25 by an operating agreement that establishes or provides for the  
26 establishment of designated series of transferable interests  
27 having separate rights, powers, or duties with respect to  
28 specified property or obligations of the foreign limited  
29 liability company, or profits and losses associated with the  
30 specified property or obligations, shall indicate that fact on  
31 the application for a certificate of authority as a foreign  
32 limited liability company. In addition, the foreign limited  
33 liability company shall state on the application whether the  
34 debts, liabilities, and obligations incurred, contracted for,  
35 or otherwise existing with respect to a particular series, if

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1 any, are enforceable against the assets of such series only,  
2 and not against the assets of the foreign limited liability  
3 company generally.

4 2. This section is repealed on July 1, 2021.

5 Sec. 52. CODE EDITOR DIRECTIVE.

6 1. The Code editor is directed to make the following  
7 transfers:

8 a. Section 489.1201, as amended by this division of this  
9 Act, to section 489.12901.

10 b. Section 489.1202, as amended by this division of this  
11 Act, to section 489.12902.

12 c. Section 489.1203, as amended by this division of this  
13 Act, to section 489.12903.

14 d. Section 489.1204, as amended by this division of this  
15 Act, to section 489.12904.

16 e. Section 489.1205, as amended by this division of this  
17 Act, to section 489.12905.

18 f. Section 489.1206, as amended by this division of this  
19 Act, to section 489.12906.

20 2. The Code editor shall codify the sections described in  
21 subsection 1 as new part 2 of article 12 of chapter 489.

22 3. The Code editor shall correct internal references in the  
23 Code and in any enacted legislation as necessary due to the  
24 enactment of this section.

25 Sec. 53. EFFECTIVE DATE. This division of this Act takes  
26 effect July 1, 2020.

27 DIVISION III

28 MANAGEMENT OF LIMITED LIABILITY COMPANIES

29 Sec. 54. Section 489.407, subsection 2, paragraph f, Code  
30 2019, is amended by striking the paragraph.

31 DIVISION IV

32 DISSOLUTION

33 Sec. 55. Section 489.105, subsection 2, paragraph a, Code  
34 2019, is amended to read as follows:

35 a. Delivering to the secretary of state for filing a

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1 statement of change under [section 489.114](#), an amendment to the  
2 certificate under [section 489.202](#), a statement of correction  
3 under [section 489.206](#), a biennial report under [section 489.209](#),  
4 a statement of withdrawal or a statement of rescission under  
5 section 489.701A, or a statement of termination under section  
6 489.702, subsection 2, paragraph "b", subparagraph (6).

7 Sec. 56. Section 489.117, subsection 1, Code 2019, is  
8 amended by adding the following new paragraphs:

9 NEW PARAGRAPH. 0a. Statement of rescission .... No fee

10 NEW PARAGRAPH. 00a. Statement of withdrawal ... No fee

11 Sec. 57. NEW SECTION. 489.701A **Rescinding dissolution.**

12 1. A limited liability company may rescind its dissolution,  
13 unless a statement of termination applicable to the company has  
14 become effective, a district court has entered an order under  
15 section 489.701, subsection 1, paragraph "d", dissolving the  
16 company, or the secretary of state has dissolved the company  
17 under section 489.705.

18 2. Rescinding dissolution under this section requires all  
19 of the following:

20 a. The affirmative vote or consent of each member.

21 b. If the limited liability company has delivered to the  
22 secretary of state for filing a statement of dissolution and  
23 any of the following applies:

24 (1) The statement has not become effective, delivery  
25 to the secretary of state for filing of a statement of  
26 withdrawal under section 489.205 applicable to the statement  
27 of dissolution.

28 (2) If the statement of dissolution has become effective,  
29 delivery to the secretary of state for filing of a statement of  
30 rescission stating the name of the company and that dissolution  
31 has been rescinded under this section.

32 3. If a limited liability company rescinds its dissolution  
33 all of the following apply:

34 a. The company resumes carrying on its activities and  
35 affairs as if the dissolution had never occurred.

1     *b.* Subject to paragraph “*c*”, any liability incurred by the  
2 company after the dissolution and before the rescission has  
3 become effective is determined as if dissolution had never  
4 occurred.

5     *c.* The rights of a third party arising out of conduct in  
6 reliance on the dissolution before the third party knew or had  
7 notice of the rescission may not be adversely affected.>

8     2. Title page, by striking lines 1 through 4 and inserting  
9 <An Act relating to business entities, by providing for  
10 different types of limited liability companies and the  
11 dissolution of limited liability companies, and including  
12 effective date provisions.>

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